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EXCEPTION

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Arizona Corporation Commission

SEP 7 3 17 PM '99

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DOCUMENT CONTROL

IN THE MATTER OF THE COMPETITION IN
THE PROVISION OF ELECTRIC SERVICES
THROUGHOUT THE STATE OF ARIZONA.

DOCKET NO. RE-00000C-94-0165

STAFF'S EXCEPTIONS

Staff of the Arizona Corporation Commission ("Commission") hereby submits the following very limited exceptions to the recommended Opinion and Order in this matter.

R14-2-1604. Competitive Phases

The Hearing Officer has added a new subsection R14-2-1604.A.4 in response to Staff's comments, to clarify that effective January 1, 2001, all Affected Utility customers irrespective of size will be eligible for Aggregation and Self-Aggregation. This new subsection also clarifies that these customers must purchase their electricity and related services from a certificated Electric Services Provider ("ESP").

Although the Hearing Officer adopted the language proposed by Staff, upon reflection Staff recognizes that the language may present an ambiguity as to whether customers choosing Aggregation or Self-Aggregation prior to January 1, 2001, are required to purchase their electricity and related services from an ESP. Staff suggests the following modification to the last sentence in R14-2-1604.A.4 to resolve the ambiguity:

"These Aggregation and Self-Aggregation customers must purchase purchasing their electricity and related services at any time after the effective date of these rules must do so from a certificated Electric Service Provider as provided for in these rules."

...

...

1 The Concise Explanatory Statement should also be modified to reflect this
2 additional change, by adding the following sentence at p. 24, line 24, after "Section
3 1604(B)(6).":

4 "That language should be modified, however, to clarify that any
5 Aggregator or Self-Aggregator purchasing their electricity and
6 related services at any time after the effective date of these rules
7 must do so from a certificated Electric Service Provider."

8 On p. 25, line 5, the following language should be added after "by Staff": "and
9 with the modification discussed above".

10 **R14-2-1609.B Transmission and Distribution Access**

11 The recommended order adds language to the beginning of this section to
12 "indicate that eventually, the obligation to assure adequate transmission import capabilities
13 should rest with the ISO, or in the event the ISO does not become operational, by default with
14 the AISA." Concise Explanatory Statement, p. 41. Staff is concerned that the additional
15 language suggests that the obligation of the Utility Distribution Company ("UDC") to provide
16 adequate transmission import capabilities may somehow expire once the ISO becomes
17 operational. That responsibility must continue to reside with the UDC regardless of whether the
18 ISO or AISA is involved in the transmission planning. In other words, the UDC's responsibility
19 cannot and should not be transferred to the ISO.

20 Staff therefore recommends that the new language added to the first sentence of
21 R14-2-1609.B, "Until such time that the transmission planning process mandated by R14-2-
22 1609(D)(5) is fully implemented, or until such time that a FERC-approved and operational
23 Independent System Operator assumes the obligations of the AISA as is contemplated by R14-2-

24 ...

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1 1609(F)," be deleted. The Concise Explanatory Statement should be modified on p. 41 by
2 deleting the language beginning "However" on line 2, through line 7.

3 RESPECTFULLY SUBMITTED this 7th day of September, 1999.

4
5 By: 
6

7 Paul A. Bullis
8 Christopher C. Kempley
9 Janet Wagner
10 Janice Alward

11 Original and ten copies of the
12 foregoing filed this 7th day
13 of September, 1999 with:

14 Docket Control
15 Arizona Corporation Commission
16 1200 West Washington Street
17 Phoenix, Arizona 85007

18 A copy of the foregoing was
19 mailed the 7th day of September,
20 1999 to:

21 All parties on the service list for
22 Docket No. RE-00000C-94-0165

23
24 By: 
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